

Yaounde, the 10 JUN 2019.

Instruction N° 05 /GR / 2019

On the conditions and arrangements for opening and operating the foreign currency accounts of residents and non-residents

THE GOVERNOR,

Mindful of the Statutes of the Bank of Central African States in force;

Mindful of Regulation No. 02/18/CEMAC/UMAC/CM of 21 December 2018 on exchange rate regulation in CEMAC;

Pursuant to articles 41 and 43 of the said Regulations,

HEREBY GIVES THE FOLLOWING INSTRUCTIONS

Section 1 - General provisions

Article 1 - The purpose of this Instruction is to define the conditions and procedures for opening foreign currency accounts to residents and foreign currency and CFAF accounts to non-residents inside and outside CEMAC. It also specifies the operation of these accounts.

Article 2 - The opening of accounts in foreign currencies outside the CEMAC is prohibited to resident corporations, other than credit institutions, subject to the authorisation of the Central Bank.

Article 3 - The opening of a foreign currency account in the CEMAC is prohibited to resident persons. However, the Central Bank may authorise a corporation to open a foreign currency account in a credit institution located in the CEMAC.

Article 4 - The term of foreign currency accounts may not exceed 2 years, subject to the possibility of renewal.

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Article 5 - The Central Bank shall inform the Ministry in charge of currency and credit of the authorisations granted to resident corporations to open foreign currency accounts outside the CEMAC.

Article 6 - The opening of foreign currency and CFAF accounts in CEMAC for non-residents is free.

Section 2 - Opening and operation of foreign currency accounts outside the CEMAC by resident corporations

Article 7 - The opening of a foreign currency account by a corporation resident outside the CEMAC is subject to the prior authorisation of the Central Bank. To this end, the resident corporation shall send it a reasoned request for authorisation, which shall specify in particular the following information:

- the applicant's corporate name;
- the currency of the account;
- the identification of the bank hosting the account (company name or name, address, country);
- the reasons why the account is being opened;
- the transactions that may be credited and debited to the account, accompanied, where applicable, by the relevant supporting documents.

In addition, the application for authorisation to open a foreign currency account shall be accompanied by the following documents:

- the draft account agreement, if applicable;
- the applicant's undertaking to provide the Central Bank with all information relating to the operation of the foreign currency account abroad;
- the extract from the trade and personal property Credit Register or any document in its place dated less than 03 months ;
- the statutes of the corporation and those of the parent company, if any;
- the identity of the directors and main shareholders;
- agreements signed with the state or any other partner, if applicable ;
- recent financial statements ;
- any other supporting documents deemed useful by the central bank.

Article 8 - The central bank's authorization shall be notified to the applicant. It shall specify the transactions which may be credited and debited to the account and the duration of the authorization, which may not exceed two (2) years.

Article 9 - The central bank may, if necessary and at any time, request information on related transactions from the holder of the foreign exchange account outside CEMAC.

Article 10- At least forty-five (45) days before the expiry of the period of validity of the authorization to open the account, the holder of the account may request its renewal and address an application to the central bank to that effect.

The application for renewal of the authorisation shall be examined under the same conditions as the original application.

In the absence of a new authorization from the Central Bank, the applicant shall close the account and repatriate the assets held abroad resulting from the balance of the account to a member state of the CEMAC within 30 days.

Article 11- The holder of the foreign currency account outside CEMAC shall send the statement of his account to the Central Bank on a quarterly basis.

Section 3. Opening and operation of foreign exchange accounts of residents in CEMAC

Article 12- Prior to the opening of a foreign currency account in CEMAC by a resident corporation, the credit institution acting on its behalf shall send the Central Bank an opportunity note, accompanied in particular by the following information:

- the applicant's corporate name;
- the currency of the account;
- the customer's reasoned request explaining the reasons why the account is being opened;
- the transactions that may be credited and debited to the account, accompanied, where applicable, by the relevant supporting documents.
- the customer record produced by the credit institution.

In addition, the application for authorisation of an account shall be accompanied by the following documents:

- the extract from the trade and personal property Credit Register or any document in its place dated less than 03 months ;
- the company articles and those of the parent company, if any;
- the identity of the directors and main shareholders;
- agreements signed with the state , if applicable ;
- recent financial statements, if any;
- the recent tax status certificate or any document in its place;
- any other supporting documents deemed useful by the central bank.

Article 13 - The credit institution shall be notified of the Central Bank's authorisation. It specifies the transactions that may be credited or debited to the relevant foreign currency account and the duration of the authorization, which may not exceed two (2) years.

Article 14 - In addition to the supporting documents indicated in Article 10 of this Instruction, the account-keeping credit institution must have a file containing a copy of the Central Bank's authorisation for each account opened.

Article 15 - In any event, the foreign currency account in CEMAC may not be funded by payments in CFA Franc or by debiting an account in CFA Franc.

Subject to their conversion into CFA Franc, foreign currency held in the accounts of residents in foreign currency may not be withdrawn to cover local needs.

Article 16- At least forty-five (45) days before the expiry of the period of validity of the authorization to open the account, the holder of the account may request its renewal and address an application to the central bank to that effect.

The application for renewal of the authorisation shall be examined under the same conditions as the original application.

Article 17- On expiry of the original authorization and in the absence of a new authorization from the Central Bank, the credit institution holding the foreign currency account has 30 days to close it.

The closing of the account shall automatically entail the transfer of the currencies resulting from its balance to the credit institution against the CFA Franc for the benefit of its holder.

The transferred currencies shall be on-lent by the credit institution to the Central Bank in accordance with the rules on currency on-lending

Section 4. Opening and operation of foreign exchange accounts of non residents in the CEMAC

Article 18 - The opening of non-resident accounts in foreign currency in CEMAC is free, subject to the provision of the following supporting documents or information for individuals:

- the identity document, in particular the valid passport or residence permit;
- the applicant's address;
- proof of the origin of the currencies;
- any document proving that you are a non-resident;

- any document specifying the nature of its activities in one of the Member States of the CEMAC and their duration;
- the currency in which the account is denominated.
- For legal entities:
 - ✓ the address of the holder's registered office or main place of business;
 - ✓ the recent extract from the Registry of commerce or any document in its place;
 - ✓ the contract, if applicable;
 - ✓ the act authorizing the person in charge to bind the entity;
 - ✓ the currency in which the account is denominated.
- For diplomatic representations, international organisations and similar bodies:
 - ✓ the headquarters agreement or any document in its place;
 - ✓ the address of the head office;
 - ✓ the act authorizing the person in charge to bind the entity;
 - ✓ the currency in which the account is denominated.

Article 19 - In the context of their banking correspondence relations, CEMAC credit institutions may open nostro accounts with non-resident correspondents, subject to compliance with the regulatory requirements in force.

Article 20 - Credits and debits to non-resident accounts in foreign currencies are free, subject to compliance with the regulations in force.

Article 21 - The credit institution shall inform the Central Bank of the opening of the foreign currency account within 30 days of the date of the opening.

Section 5. Opening and operation of accounts in CFA Franc in the CEMAC in favour of non-residents

Article 22 - The opening of non-resident accounts in CFA francs in the books of credit institutions is free in CEMAC, subject to the information of the competent authorities.

Article 23 - When opening accounts of non-residents in CFA Franc, the account applicant shall provide the credit institution with the following documents:

a) For individuals:

- the identity document, in particular the valid passport or residence permit;
- the applicant's address;
- proof of the source of the funds;
- the administrative document attesting to his status as a non-resident;

- any document specifying the nature of its activities in one of the CEMAC Member States and their duration.

b) For legal corporations:

- the address of the holder's registered office or main place of business;
- the recent extract from the Registry of commerce or any document in its place;
- the Statutes, if applicable;
- proof of the source of the funds;
- the act authorizing the person in charge to bind the entity.

c) For diplomatic representations, international organisations and similar bodies:

- the headquarters agreement or any document in its place;
- the address of the head office;
- the act authorizing the person in charge to bind the entity;

Article 24 - Credits and debits to non-resident accounts in CFA Franc are free, subject to compliance with the regulations in force.

Section 6. Various and final provisions

Article 25 - In the context of the examination of the application for prior authorisation or its renewal, the Central Bank may, if necessary, request the applicant to provide any other necessary information.

Article 26 - Credit institutions shall communicate to the Central Bank the situation of domestic foreign currency accounts opened in the name of resident corporations.

Article 27 - Periodic checks shall be carried out by the Central Bank and COBAC to ensure compliance by authorised intermediaries with the provisions of this instruction.

Article 28 - Resident legal entities already having foreign currency accounts in and outside the CEMAC have a period of 6 months from the entry into force of this Instruction to comply with its provisions

Article 29 - Any failure to comply with the provisions of this Instruction exposes the offender to the penalties provided for by the regulations in force, in particular those laid down in Article 165 of the aforementioned Regulation, with regard also to non-compliance by authorised intermediaries with the procedures for operating non-resident accounts in foreign currency.

Article 30 - This Instruction may be amended by the Central Bank. It can be specified by means of its Circular Letter.

Article 31 - This Instruction, which repeals any previous provision relating to the same subject matter, shall enter into force on the date of its signature. It shall be notified to credit institutions and their professional associations./-

ABBAS MAHAMAT TOLLI

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